



**DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN
MALAYSIA**

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**BACHELOR OF BUSINESS
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DECLARATION OF ORIGINAL WORK



**BACHELOR OF BUSINESS ADMINISTRATION WITH HONOURS
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**FACULTY OF BUSINESS MANAGEMENT
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“DECLARATION OF ORIGINAL WORK”

I am Nazatul Akmar binti Mohd Shah (IC Number: 960707-05-5346).

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project-paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

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LETTER OF SUBMISSION

Bachelor of Business Administration
(Hons) Finance Faculty Business
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Dear Madam,

SUBMISSION OF PROJECT PAPER
DETERMINANTS OF FOREIGN DIRECT INVESTMENT IN MALAYSIA

I am required to do a project paper on the above topic. I hereby submitted this report and I really hope that this work will fulfil the requirement for the Bachelor of Business Administration (Hons) Finance.

Thank you,

Yours sincerely,

.....

Nazatul Akmar Binti Mohd Shah

2017662564

Bachelor of Business Administration (Hons) Finance

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ABSTRACT

The purpose of this study is to examine the determinants of foreign direct investment in Malaysia. The determinants are inflation rate (IR), gross domestic product (GDP), exchange rate (ER), trade openness (TRO) and Unemployment rate (UNPR). The study was using time series data from 1988 to 2018 by using yearly data. Multiple linear regression test has been used in this study. The result shows that inflation rate and gross domestic product have positive and significant relationship towards foreign direct investment in Malaysia. Meanwhile, there is insignificant relationship between exchange rate, trade openness and unemployment rate on foreign direct investment in Malaysia. It means exchange rate, trade openness and unemployment rate has no significant effect on Foreign direct investment in Malaysia. Based on the result obtained, recommendation are made for the significant of study to help them in improving the foreign direct investment inflow in Malaysia for long run.

Keywords: *Foreign Direct Investment, Economic Growth, Exchange Rate, Inflation Rate, Trade Openness, Unemployment Rate*